

# Travis County District Clerk

## 2015 Inherent Risk Assessment



**TRAVIS COUNTY AUDITOR'S OFFICE**  
Risk Evaluation & Consulting Division

February 5, 2016



TRAVIS COUNTY AUDITOR'S  
OFFICE

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To: Velva L. Price  
Travis County District Clerk

From: Nicki Riley, CPA  
Travis County Auditor

Date: February 5, 2016

Re: 2015 Risk Assessment – District Clerk

The Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed a risk assessment of the office of the Travis County District Clerk. The objective of the risk assessment was to assist the District Clerk in identifying potential risks or exposures associated with their business processes, allowing them to implement or adjust internal controls as they deemed necessary.

We began by performing an engagement-level inherent risk assessment focusing on the identification and rating of risks that are intrinsic to the District Clerk's activities and business processes. To a limited extent, we considered the impact of internal controls implemented by management to mitigate these risks. As such, the reported risks represent potential exposures. While we are not providing a judgment of how well management is addressing risk, we have noted some "areas of concern" that involve a variety of issues, risks, and potential control items.

The first eight pages of this report contain a summary of our methods and results. The organizational structure, mission and objectives, significant activities, and financial data for the District Clerk are provided on pages 9 through 18. The details of each division's risk assessment, including the identified business processes, inherent risks, controls implemented by management, and the inherent risk ratings are provided on pages 19 through 47. General areas of concern can be found on pages 48 to 52.

## BACKGROUND

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The Travis County District Clerk maintains the official record of proceedings on all court cases heard in district courts and some cases in County Court-at-Law # 4. This involves criminal, civil,



and family/domestic relations cases. Most of the case records are available to public viewing; but some are confidential, either by law or court order.

The Criminal Division maintains criminal case records on felonies, which are the most serious crimes, and some misdemeanor cases. Grand Jury proceedings are also coordinated through the District Clerk's Office. Part of the District Clerk's duties on criminal cases is to issue arrest warrants, commitments to jail, and subpoenas, and to prepare judgments and appeal records.

The Civil Division maintains civil case records such as personal injury, contract, real estate, and consumer lawsuits as well as tax collections. Because Travis County is the home of the State Capital, the Civil Division also receives appeals of nearly all state administrative agency rulings.

The Family Division handles all divorces, child support and custody cases, adoptions, family protection, and name changes. The Civil and Family Division, in addition to maintaining records, issues citations, subpoenas, and writs, plus it prepares abstracts of judgment, name change certificates, and appeal records.

All three of these divisions collect court costs, fees, and fines when a case is filed, a service is requested, or a court judgment is handed down.

The Information Technology Division provides project management, application development and support, network management, and telecommunications and system maintenance for critical business systems and processes. To the extent practical, this division is responsible for facilitating the public's use of internet-based office services, including the filing of court documents; requesting issuance of processes; and viewing, maintaining, and safeguarding information contained within the records of District Court proceedings.

The Accounting Division is responsible for receiving and processing the deposit of collections from the District Clerk divisions that collect court costs, fees, and fines. The Accounting Division serves all of the divisions to ensure that financial resources are available for these areas to adequately and effectively function with overall efficiency. This division is also responsible for processing disbursements for a variety of services, including the remittance of funds directly to the County Treasurer. In addition, this division prepares monthly departmental financial statements.

In addition to its responsibilities on civil, family, and criminal case records, the District Clerk also coordinates all jury matters for the courts and the City of Austin and is a passport acceptance agency.

## SCOPE

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The risk assessment covered the operations of the Office of the Travis County District Clerk and was limited to the business processes that were in place during the time the risk assessment was being performed - the three months ending June 30, 2015. In addition, only the inherent risks were



rated, meaning there were no tests of controls or transactions to assess control risk. All client meetings were held at the District Clerk's Office.

## ENGAGEMENT TEAM


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## CLOSING

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This report is intended solely for the information and use of the District Clerk's and Auditor's Office management. We greatly appreciate the cooperation and assistance received from management and staff during this risk assessment. Please contact our office if you have any concerns or questions regarding this report.



David Jungerman, CIA  
Chief Assistant County Auditor – Risk  
Evaluation & Consulting



Patti Smith, CPA  
First Assistant County Auditor



Nicki Riley, CPA  
Travis County Auditor



## REPORT DISTRIBUTION

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Robert Chappell, Financial Manager, Travis County District Clerk's Office  
Burnett Treat, Director, Travis County District Clerk's Office  
Frank Stover, Atchley and Associates, CPA's  
Managers, Travis County Auditor's Office



## INTRODUCTION TO THE RISK ASSESSMENT REPORT FORMAT

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### **WHAT IS RISK ASSESSMENT?**

Risk assessment is a systematic process of evaluating the potential negative outcomes, such as financial loss, that may occur in a business process.

### **HOW DOES THE RISK ASSESSMENT PROCESS WORK?**

The risk assessment process includes three steps: data gathering; business process, risk and control identification; and risk rating. In data gathering, we collect information about the functional area under review to gain an understanding of its objectives, operations, and processes. We then identify what processes are in place, the inherent risks for each process, and the internal controls that have been implemented by management. The last step is to rate the risks identified for the business processes handled by the functional areas under review by evaluating them based on risk factors and assigning risk ratings.

### **HOW ARE THE RISK RATINGS ON THE RISK PROFILES CALCULATED?**

The risks associated with each business process can be described and valued based on the risk factors of impact and likelihood. Impact evaluates the magnitude or effect resulting from a breakdown in the process and/or controls, whereas likelihood is used to evaluate the probability that the event will occur. The components of likelihood include geographic dispersion, complexity of operations, training and documentation, access to high-risk assets, state of automation, abuse of power potential, and management oversight. The components of impact include volume/dollar value/operational significance, media attention, government regulation, and damage to customers or third parties.

In order to obtain a risk rating for these business processes, we assign a numeric value to each of the above components. Likelihood is graded on a 1 to 5 scale from very remote to probable, while impact is graded on a 1 to 5 scale from very light to very severe. The values are then plotted on the Inherent Risk Matrix to determine the risk rating for the individual business process.

### **HOW IS THIS REPORT USED BY THE AUDITOR'S OFFICE?**

We use risk assessments to allocate audit resources, thus prioritizing areas of greatest risk.

### **HOW CAN THIS REPORT BE USED BY COUNTY MANAGEMENT?**

This report is intended to help management focus their efforts on mitigating the highest risk areas. This includes the distribution of personnel, implementation of internal controls, and allocation of budget resources.



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## Executive Summary

### PURPOSE

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During fiscal year 2013, REC began the process of transitioning to the risk-based method of internal auditing. Under this approach, audit resources are directed toward the higher risk areas first. To determine which County offices/functional areas/business processes pose the greatest risk to the County, risk assessments are performed. The two levels of risk assessment are described below:

#### ENTERPRISE RISK ASSESSMENT (ERA)

This type of risk assessment is performed annually and involves identifying, rating, and ranking risks at the enterprise or County level. The ERA is performed at a higher level both in terms of risk rating thresholds and level of detail. The results of this assessment are used to create the audit plan which is the schedule of internal audit engagements to be performed during the upcoming year. The audit plan is used to prioritize the utilization of audit resources.

#### AUDIT/ENGAGEMENT RISK ASSESSMENT (ARA)

Risk assessments performed at the engagement level delve into greater detail than ERAs, as they address the risks associated with the processes and activities handled by the County office or functional area under review. This type of risk assessment requires the internal auditor to gain an understanding of the entity's business objectives, flow of operations, business processes, inherent risks, and the system of internal controls implemented by management. During an ARA, there are three types of risks identified, evaluated and rated as follows:

- **Inherent risk** – The risk to an organization in the absence of any actions management might take to alter either the risk's probability or impact. In other words, the risks intrinsic to the entity's objectives if no internal controls are implemented.
- **Control risk** – The risk that management controls are not efficiently designed or effectively implemented, preventing the organization from meeting its objectives and protecting its assets.
- **Residual risk** – The risk that remains after management has responded to the risk by implementing controls.

To properly implement risk-based auditing, REC will be performing engagement-level risk assessments of all the Travis County offices and departments. For the majority of these entities, we will only be rating the inherent risks during the initial risk assessment. The audit plan will then be tailored to address the higher risk areas first. Going forward, we will periodically update the ARAs and accordingly adjust the audit plan. This is the first risk assessment for the District Clerk's Office.

### METHODOLOGY

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The risk assessment process was performed in three phases: data gathering; business process, risk and control identification; and risk rating. Brief overviews of the phases are provided below:



- **Data Gathering** - Collect sufficient information about the functional area under review to gain an understanding of its business objectives and flow of operations.
- **Identification of business processes, risks and controls** - Determine what business processes are in place, the inherent risks associated with the processes, and the internal controls implemented by management to mitigate the risks.
- **Rate inherent risks** - Evaluate the inherent risks and assign risk ratings to the business processes handled by the functional areas under review.

More information about the ARA process is provided in the detailed report section below.

## HIGH RISK AREAS

We rated the risks inherent to the business processes handled by all of the District Clerk Divisions on a five-level scale from very low to very high. A summary of the risk ratings is presented in graph form on page 7 of this report. The top business processes in terms of inherent risk are provided below:

### BUSINESS PROCESSES

To provide visibility into the business processes which pose the greatest risk to the District Clerk's Office, we calculated the average risk rating for each business process. A summary of the average risk ratings for the business processes is presented in graph form on page 8 of this report. The top three business processes in terms of inherent risk are provided below:

Business Process	Risk Rating
Court Functions – Civil and Criminal	High
Case Management	High
Information Technology	High

### FUNCTIONAL AREAS

To distinguish which functional areas pose the greatest risk to the District Clerk's Office, we calculated the average risk rating for each functional area. The top three functional areas in terms of inherent risk are provided below:

Functional Area	Risk Rating
Civil, Criminal, and Expunctions	High
Financial Services	Medium
Information Services	Medium

To see where the functional areas reside within the District Clerk's Office reporting structure, refer to the organizational chart on page 9 of this report.

The inherent risks, risk management techniques, and risk ratings for the business processes are provided in detail within the Functional Area Risk Profiles, which begin on page 19 of this report.



## DETAILED REPORT

### RISK ASSESSMENT PROCESS

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We performed an engagement-level risk assessment of the inherent risks associated with the Travis County District Clerk operations in the following three phases:

<b>DATA GATHERING</b>
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In order to perform an accurate and thorough risk assessment, the first step is becoming familiar with the nature of the entity's business activities. To begin this process, we requested the following documents from the District Clerk:

1. Organizational charts
2. Budget submission forms (PB-3s) which provide program goals, statutorily required/mandated services, discretionary services, funding sources, anticipated reductions in revenues and grant resources, performance measures, historical trends, program efficiencies/outcomes, and proposed reallocations of budget.
3. Grant listings
4. Contract listings (inter-local, professional services, and revenue)
5. Listing of programs
6. Fee schedules
7. Policies and procedures
8. Formally documented narratives and flowcharts
9. The Travis County District Clerk web page (<https://www.traviscountytexas.gov/district-clerk>)

Before meeting with the District Clerk employees, we reviewed the above documentation, prior audit reports, Texas statutes pertaining to the responsibilities of the District Clerk, guidance provided by regulatory agencies such as the Office of Court Administration (OCA), various narratives, Commissioner's Court Agendas, Backup Support, and Minutes, Travis County Code, and the Comprehensive Annual Financial Report (CAFR).

At the entrance conference, we met with the District Clerk, as well as the District Clerk's Accounting Manager at their office at the Herman Marion Sweatt Courthouse. At this meeting, we provided an explanation of how our office performs risk assessments as well as the anticipated timeline. The Division Directors and Supervisors gave us a high-level overview of their operations and a tour of their facilities.

We subsequently held meetings with these employees and others to discuss their operations and business processes in greater detail. During these meetings, the employees described the various tasks they are required to perform. These responsibilities are captured on their respective risk profiles which can be found beginning on page 19 of the report. After the meetings, we documented their flow of operations and business processes, following up with staff as needed.



## IDENTIFICATION OF BUSINESS PROCESSES, RISKS, AND CONTROLS

After completing the process flow documentation, we analyzed the information gathered for each functional area and identified the following: the auditable business processes, potential risks inherent to these processes, and the controls implemented by management to mitigate the risks. We documented the results of this analysis on the Functional Area Risk Profile provided later in this report. Additional details about the information reported on the risk profile schedule are provided below.

### **BUSINESS PROCESSES**

A business process can be defined as a group of interrelated activities or tasks that are initiated to accomplish a specific organizational goal. In the context of a risk assessment performed by REC, business processes include the basic activities used to support financial operations, such as: cash handling, accounts payable, contract management, etc. Business processes in place at the District Clerk include the following:

- Accounts Payable
- Accounts Receivable
- Cash Handling
- Contract Management
- Reporting
- Fixed Assets
- Fleet Management
- General Ledger
- Grant Management
- Payroll
- Procurement
- Special Revenue Funds

### **POTENTIAL RISKS**

To identify the potential risks that could prevent the District Clerk from achieving their financial objectives, we reviewed the individual steps of their business processes with a focus on what could go wrong that would result in either the failure to meet objectives or in a loss of County funds. We consulted auditing standards for internal and governmental auditors, as well as industry-accepted technical guidance for risk assessment as needed.

Inherent risks are those risks that exist in the absence of any actions management might take to alter either the risk's probability or impact. Because management control is not a factor in determining the level of inherent risk, a high degree of inherent risk does not indicate poor management or the absence of controls.

### **REPORTED RISK MANAGEMENT TECHNIQUES/CONTROLS**

Risk management techniques/controls were self-reported by division management during the course of interviews and follow-up communications. Although we reviewed their controls for reasonableness, we have not audited or otherwise validated them through audit procedures. After risk management techniques were identified, they were mapped to the risks they were designed to mitigate.

The District Clerk's staff and management are very dedicated to improving all aspects of their processes, providing excellent customer service and maintaining the superior reputation of the office.



## RATE INHERENT RISKS

### PROCESS RISK RATING

We evaluated the business processes and the associated risks for each functional area, rating the risks based on the risk factors of impact and likelihood. Impact evaluates the magnitude or effect resulting from a breakdown in the process and/or controls, whereas likelihood is used to evaluate the probability that the event will occur. We used the following risk factors to evaluate impact and likelihood:

#### IMPACT

- Volume/dollar value/operational significance
- Media attention
- Government regulation
- Damage to customers or third parties
- Data privacy and protection

#### LIKELIHOOD

- Geographic dispersion
- Complexity of operations
- Training and documentation
- Access to high-risk assets
- State of automation
- Abuse of power potential
- Management oversight

Adjustments were made based on auditor judgment and other factors as was deemed appropriate.

We rated impact risk on a five-level scale from very light to very severe and likelihood risk from very remote to probable. The resulting scores were then used to determine the overall inherent risk ratings for each business process using our risk matrix, an example of which is provided below:

Inherent Score						
Risk Impact	Very Severe					
	Severe					
	Moderate					
	Light					
	Very Light					
		Very Remote	Remote	Possible	Likely	Probable
		Risk Likelihood				
		Assessed: 0		Unassessed: 0		



Using this matrix, the inherent risk for each business process was rated on a five-level scale as follows:

<b>Color</b>	<b>Risk Rating</b>	<b>Description</b>
Dark green	Very low	The risk of loss is remote, or if a loss were to occur, it would have no material impact.
Light Green	Low	The risk of loss is small, and even if a loss were to occur, it would have little material negative impact.
Yellow	Medium	There is an average risk of loss, and if a loss were to occur, it would likely have a moderate impact on the County.
Orange	High	The activity could potentially result in a significant loss to the County; however, the resulting loss, while significant, would not threaten the County in the long term.
Red	Very high	The activity could lead to significant and harmful loss to the County.

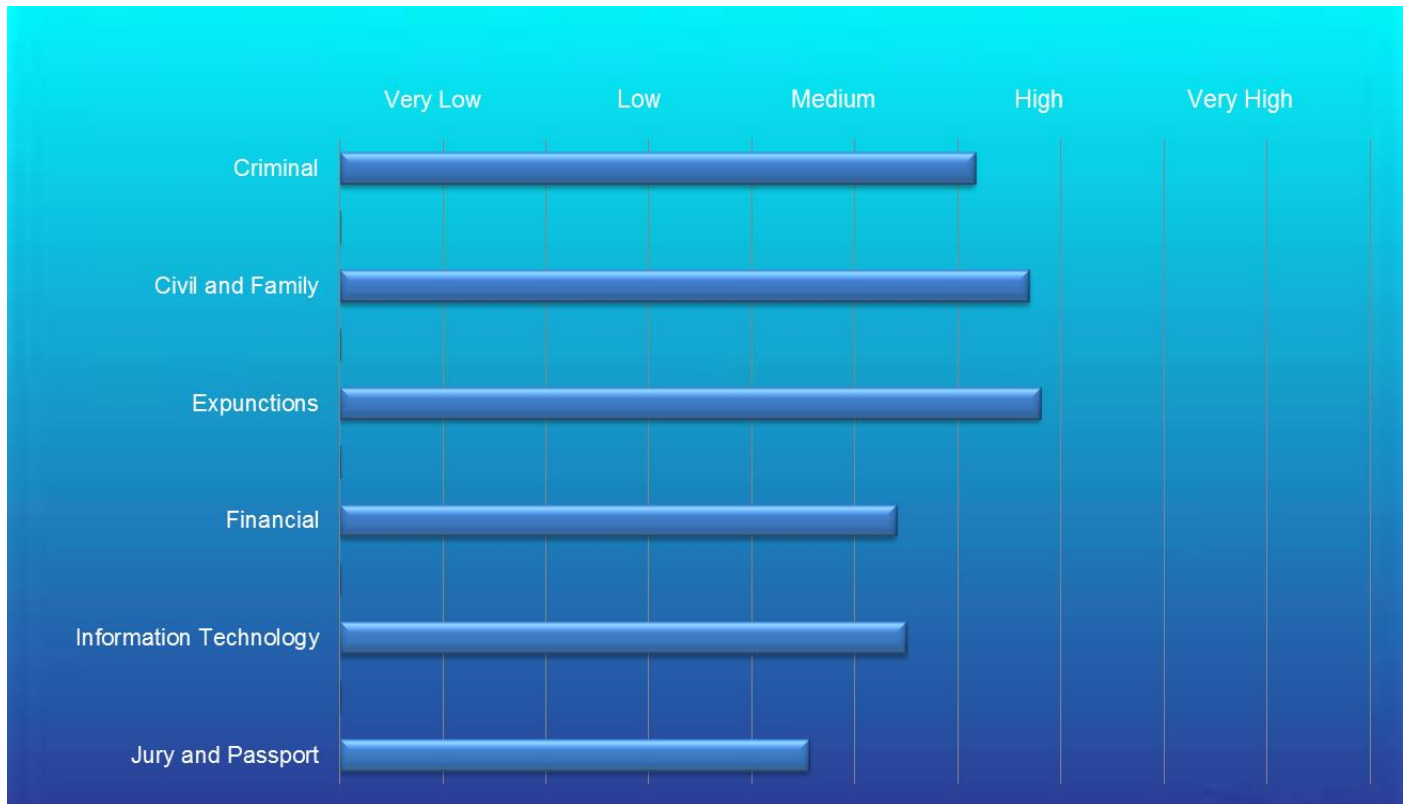


## SUMMARY OF RESULTS

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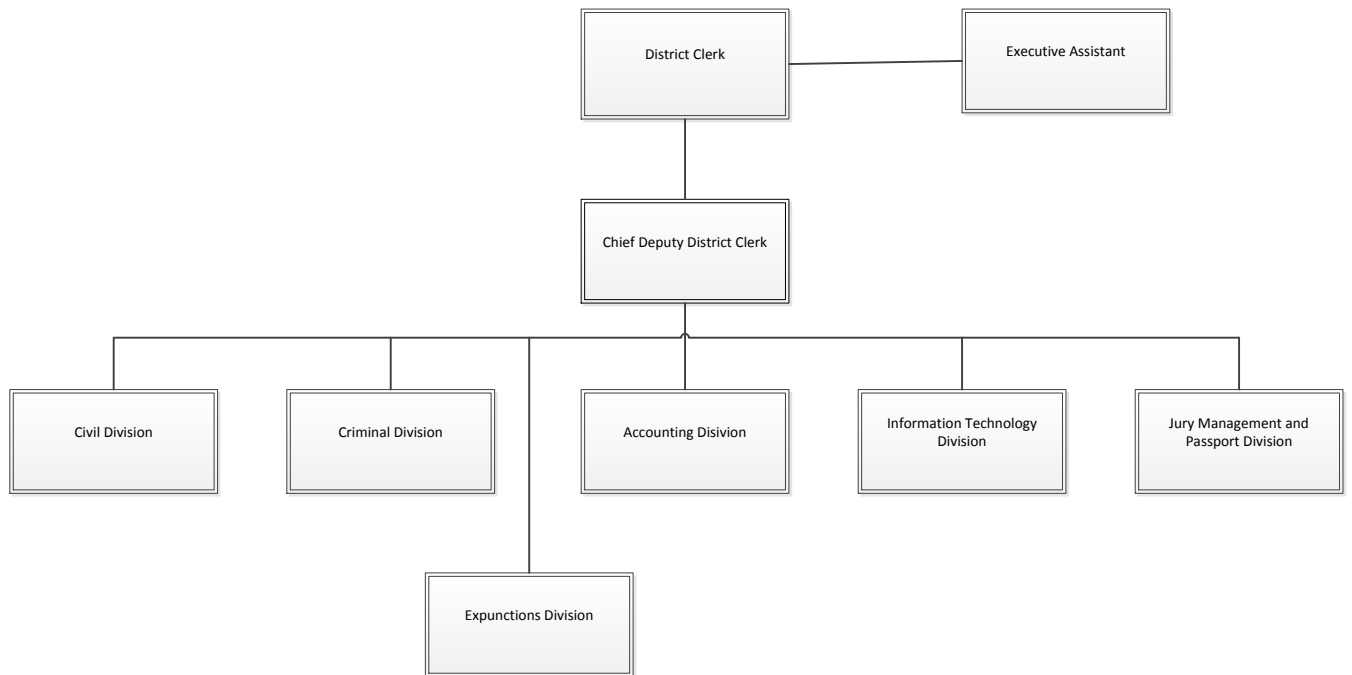
### GRAPH - RISK PROFILE BY BUSINESS PROCESS

To provide visibility into the business processes which pose the greatest risk to the District Clerk's Office, we present the results in graph form below:





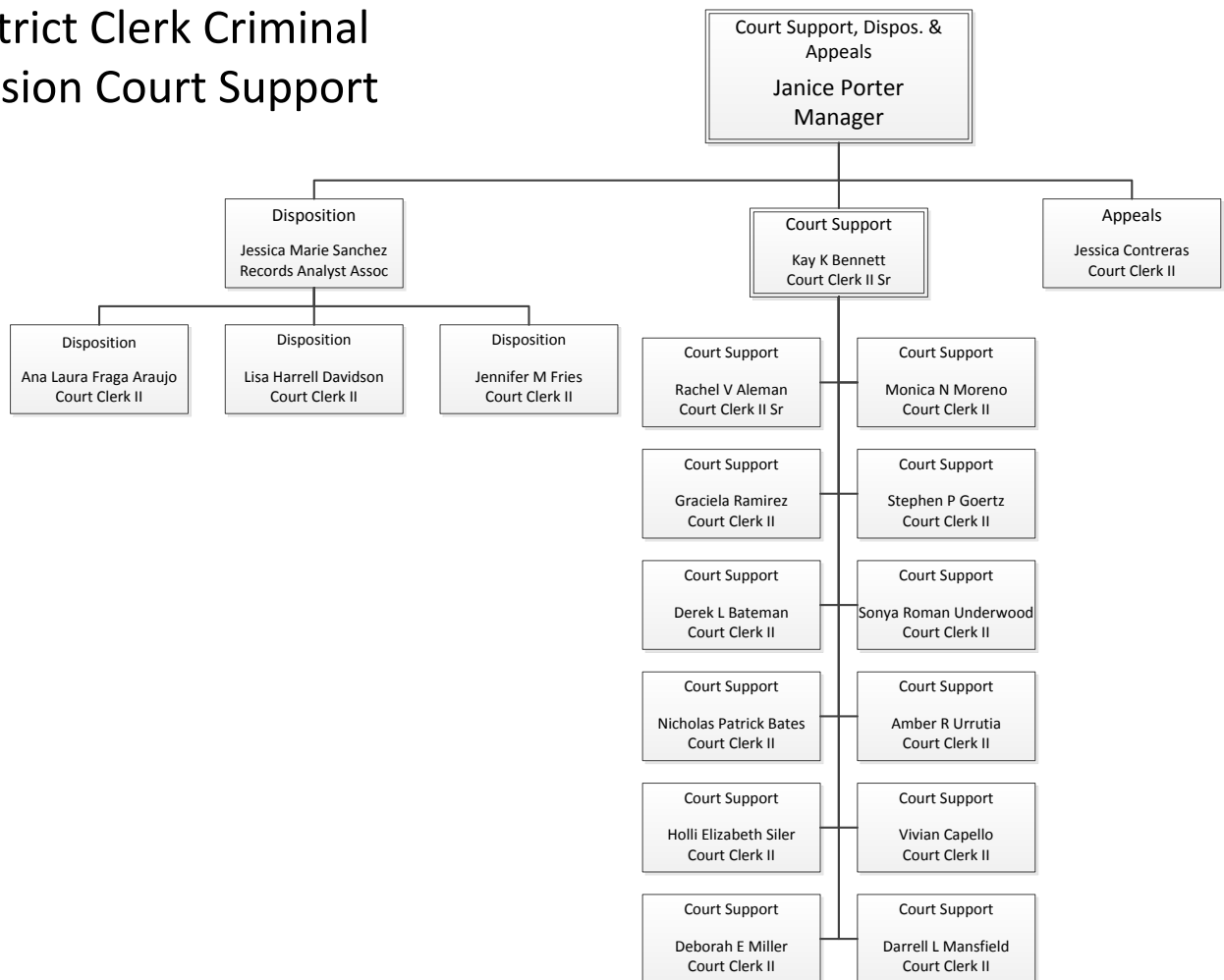
## DISTRICT CLERK ORGANIZATIONAL CHART





## ORGANIZATIONAL CHART CRIMINAL COURT SUPPORT

### District Clerk Criminal Division Court Support

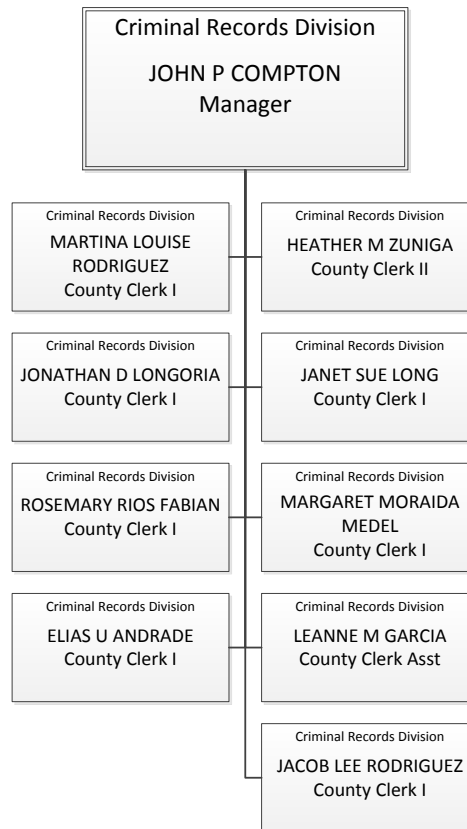


As of 1/29/15



## ORGANIZATIONAL CHART CRIMINAL RECORDS

### District Clerk Criminal Records Division

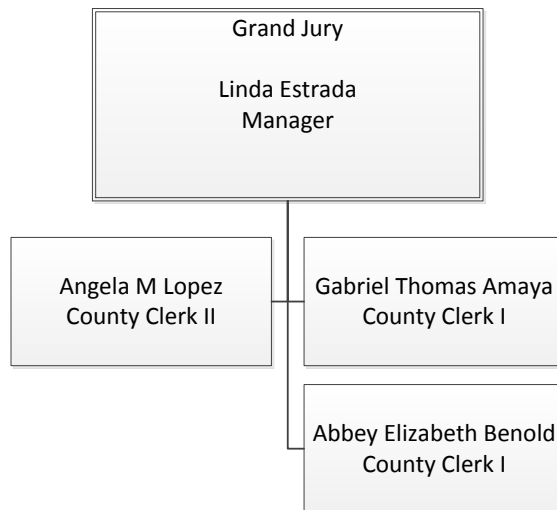


as of 1/29/2015



## ORGANIZATIONAL CHART GRAND JURY

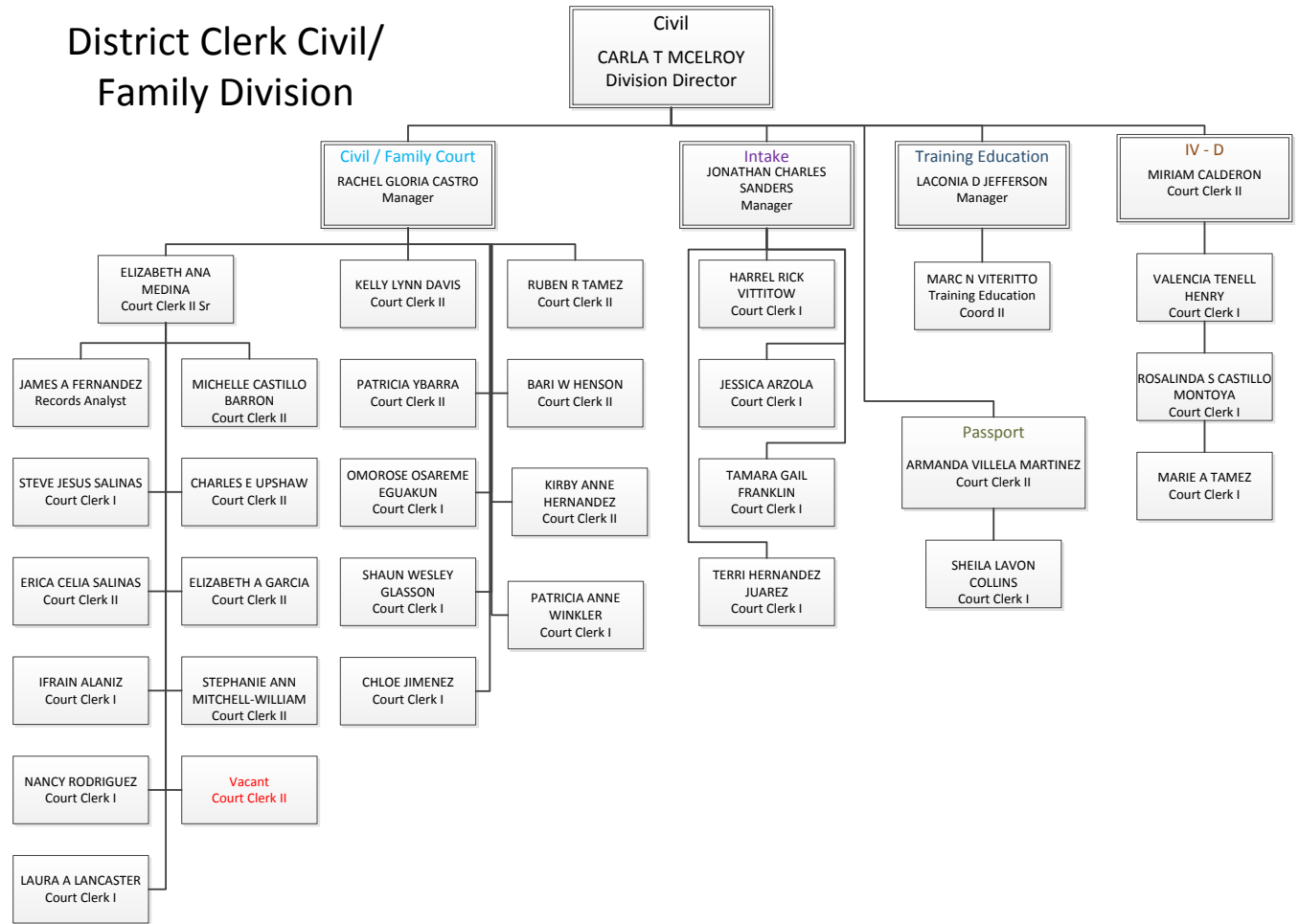
### District Clerk Grand Jury



as of 1/29/2015

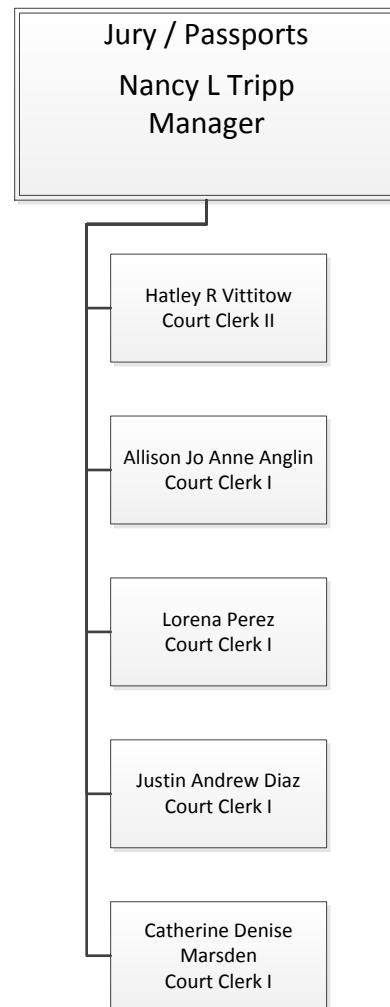


## ORGANIZATIONAL CHART CIVIL/FAMILY



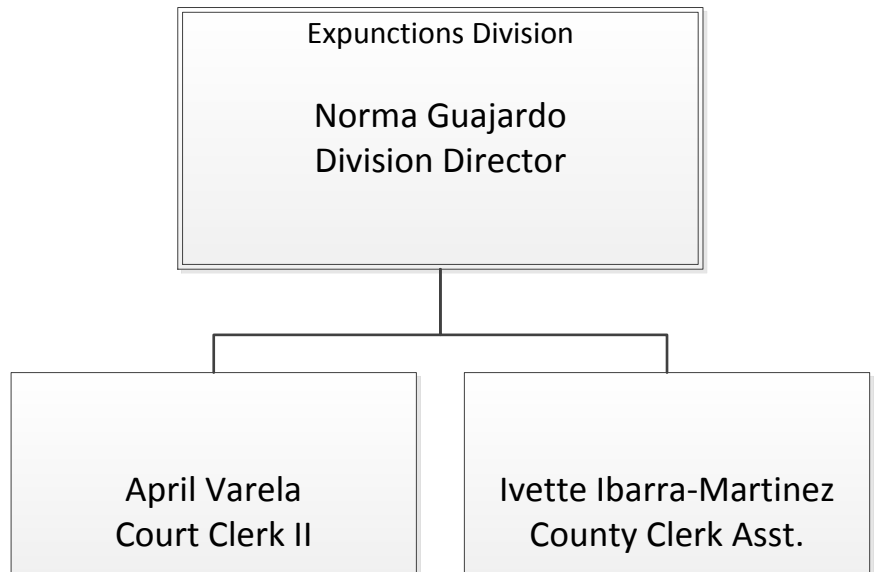


## District Clerk Jury / Passports Division



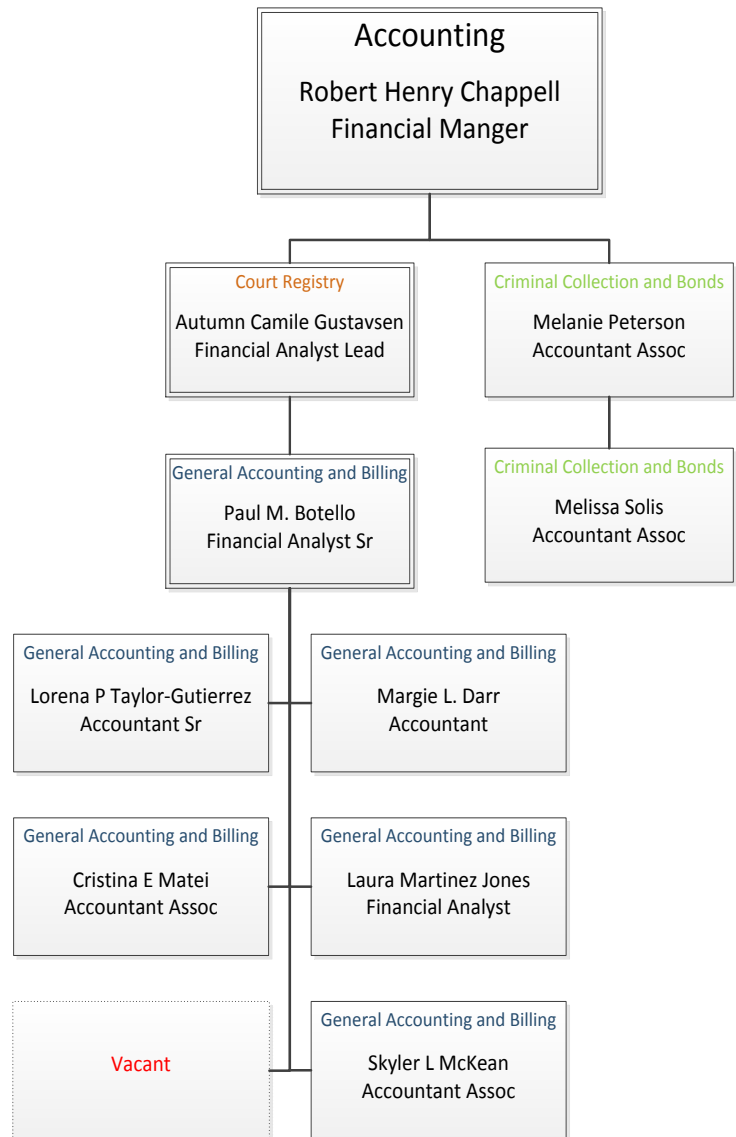


## District Clerk Expunctions Division





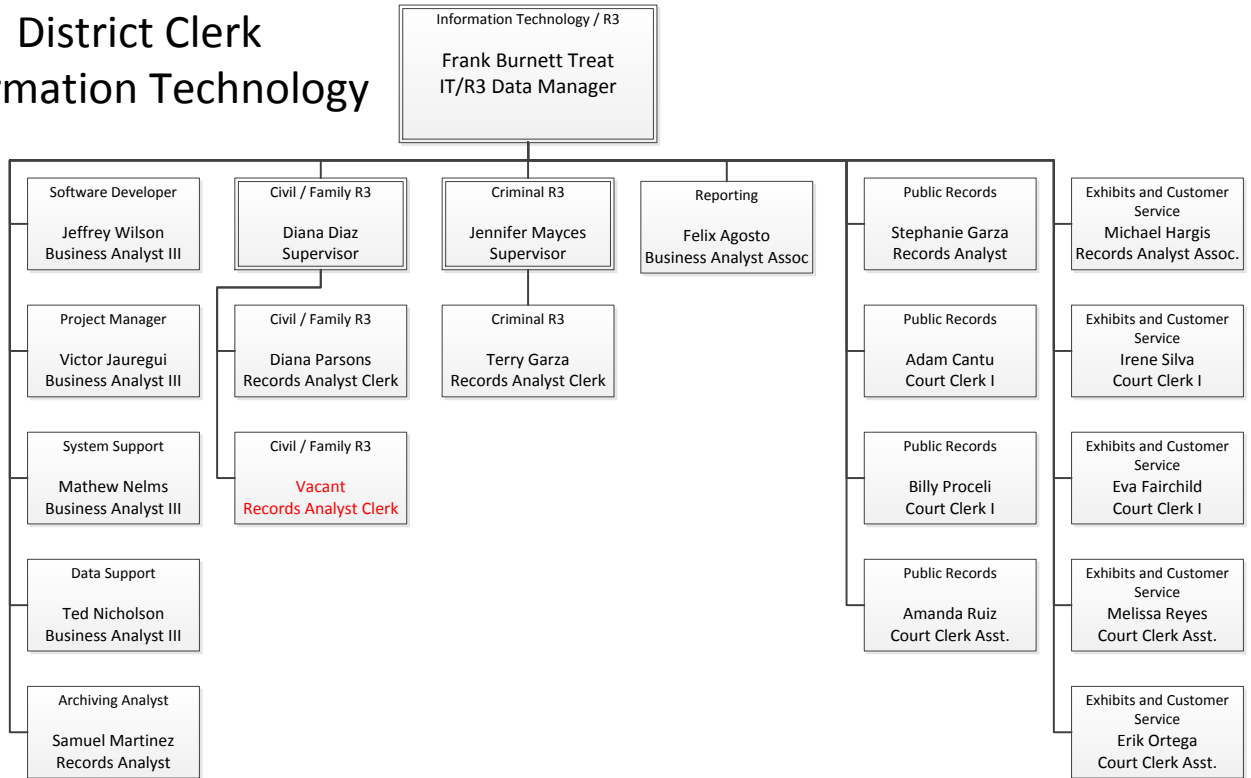
# District Clerk Accounting





## ORGANIZATIONAL CHART INFORMATION TECHNOLOGY

### District Clerk Information Technology





## **STATUTORY BACKGROUND**

### **OFFICE OF THE DISTRICT CLERK**

Article 5, Section 9 of the Texas Constitution provides that there shall be a District Clerk in each county. The District Clerk is an elected official who serves a four year term. If the office becomes vacant, a district court judge appoints a new Clerk, who holds office until it is filled by election.

The District Clerk provides support for the district courts in each county and is the custodian of all court pleadings and papers that are part of any cause of action, civil or criminal, in the district courts served by the Clerk. The District Clerk indexes and secures all court records, collects filing fees, and handles funds held in litigation and money awarded to minors.

Risk, control and governance largely determine the District Clerk Office's ability to achieve its objectives. The District Clerk is responsible for managing risk by implementing internal controls and providing assurance that they are operating as intended.

### **DEPUTY CLERKS**

The District Clerk may appoint Deputy Clerks. Each appointment must be in writing under the hand and seal of the district court and must be recorded in the office of the County Clerk. A Deputy Clerk must take the oath prescribed for officers of this state. A Deputy Clerk may perform in the name of the District Clerk all official acts of the office of the District Clerk.

### **BOND, OATH AND INSURANCE**

Section 51.302 of the Texas Government Code requires a District Clerk to give a bond with two or more sureties or with a surety company authorized to do business in Texas as a surety Company. The bond is given to ensure proper performance of the duties of the Clerk's Office.

Before entering upon the duties of office, a District Clerk must first subscribe to a statement of elected/appointed office and then take the oath or affirmation of office.

The District Clerk must cover himself or herself and any Deputy Clerk against liabilities incurred through errors or omissions. The Clerk shall obtain an insurance policy or similar coverage from a governmental pool operating under Chapter 119 of the Local Government Code or from a self-insurance fund or risk retention group created by one or more governmental units under Chapter 2259 of the Government Code.



# CRIMINAL DIVISION

## CRIMINAL DIVISION RISK PROFILE

### MISSION AND OBJECTIVES

The mission of the District Clerk Criminal Division is to serve as the record keeper for proceedings (cases) filed in the felony courts of Travis County and as the support function of the court by preparing warrants, subpoenas, judgments, commitments, appeal records, and certified copies as required.

In addition, the Criminal Division is responsible for storage, retrieval, and public access of the records and trial exhibits received by the District Clerk in all criminal felony cases and assesses and collects the courts costs and fines as ordered by the court.

In performing these duties, the Criminal Division must actively collaborate with various governmental agencies:

- Sheriff's Office
- Precinct 5 Constable
- District and County Attorneys
- Pre-Trial Services
- Community Supervision and Corrections
- Court Administration
- County Courts-at-Law
- Appellate, Justice, and Municipal Courts
- Austin Police Department
- Department of Public Safety
- Texas Department of Criminal Justice
- Texas Department of Pardons and Paroles
- Federal Bureau of Investigation
- Numerous justice and corrections agencies throughout Texas and from other states

### SIGNIFICANT ACTIVITIES

#### Grand Jury – Case Intake

This area of the District Clerk's office processes all incoming case filings received from the Travis County Jail, Austin Municipal Court, other Travis County municipalities, Travis County Justices of the Peace (primarily Justice of the Peace, Precinct 5), and cases initiated through a Grand Jury investigation. This section also receives all indictments and no bills from all the Grand Juries.

Case Intake is responsible for working with the judge and Court Coordinators to issue summonses for Grand Juries to be impaneled by each court and assisting the judge during the impaneling and selection of Grand Jurors. Among the duties of Case Intake is to provide lists of persons summoned as Grand Jurors to the Sheriff.

Three Grand Juries are typically impaneled each term, but in certain instances a Grand Jury's term may be extended, meaning Case Intake is managing up to four Grand Juries at a time. Working with the District Attorney, Case Intake prepares the records for paying the Grand Jurors at the end



of the term. All indictments and No Bills from the Grand Jury must be delivered personally to a Deputy District Clerk from Case Intake, who must certify that the vote of the Grand Jury did in fact occur while the Grand Jury was in session.

Case Intake not only involves establishing the case records but also making court assignments (which are done by rotation after first determining whether each defendant has an active felony court assignment), issuing capiases as needed, recording the initial defendant and offense identifiers and codes in the case management system used for disposition reporting to the Department of Public Safety, establishing the official minutes of the Grand Jury proceedings, processing case transfers to and from the County Clerk, ensuring certain documents are served on incarcerated defendants and copies provided to the Sheriff, and providing new case information to the media.

### **Court Support**

Court Support is the largest section of the Criminal Division and ensures all courts are appropriately staffed with the Court Clerks who work closely with the judge, court coordinator, bailiff, court reporter, and probation officer to ensure smooth proceedings. They also verify that all dispositions and other actions taken on a case are received and transported to the District Clerk's Office for recording and any follow-up action needed.

In court, the court clerks manage all the case records scheduled for hearing or adjudication and ensure the judge has access to the record at the appropriate time. Court Clerks swear in witnesses, receive and review plea paperwork submitted by attorneys, thumb print those sentenced as required by law, and provide copies of documents in the case record to attorneys for use in conferring with defendants. If a jury trial is being conducted, they assist with seating the prospective jurors, recording juror dismissals and strikes, swearing in the jury, and preparing the pay record for all prospective and selected jurors.

After court, the court clerks prepare capiases, jail commitments, and jail releases. They then enter dispositions into the case management system. These entries also include the detailed coding for purposes of disposition reporting to the Department of Public Safety. Additionally, they enter any filings accepted in court into the case management system.

The Court Clerks also prepare the judgments for the judge's signature; preparation of judgments requires coding the convicted offense, calculating any credit for time served, and ensuring all entries in the case management system have been completed so court costs can be assessed and included in the judgment.

If the defendant is to be incarcerated at the Department of Corrections, a "pen packet" comprised of various documents in the record must be prepared and submitted to the Sheriff within three to four calendar days from the date of sentencing.

In the event of an appeal or application for writ of Habeas Corpus, the clerk's record must be prepared and electronically submitted to the proper appellate court. Court Clerks also answer inmate correspondence, much of which involves verification of the time served calculation.



It should be noted that all bond and court cost assessment and collection is performed by the District Clerk's Accounting Division. Reporting to the Department of Public Safety and Office of Court Administration is the responsibility of the District Clerk's Information Technology Division (Technical Support), while management of the jury summoning and assignment process is the responsibility of the Jury Office.

## **Criminal Records and Information**

### *Records maintenance responsibilities*

This area maintains both the electronic and paper records of criminal cases. This involves accepting and file stamping paper filings submitted to the District Clerk's Criminal Division and filings submitted via mail. The filings are scanned into the electronic Document Management System (DMS). After scanning and validation, the paper is then placed in the case jacket.

Once a case is finally adjudicated, dismissed, or the Grand Jury has decided to "No Bill" the defendant, the entire paper case file is re-validated to the electronic file. The papers in the case, with the exception of the Docket Sheet upon which the defendant's thumbprint is captured at sentencing, are destroyed, leaving the electronic file record as the official, archival record of the case.

In the event physical evidence is submitted during a hearing or trial, the court reporter may tender such records to the District Clerk. Records staff are responsible for receiving, validating, tracking and storing such exhibits. If exhibits are to be provided to an appellate court, the staff also prepares the records for transport. The retention period for criminal exhibits is complex and extensive and is tied to a myriad of factors, including the time a defendant is incarcerated and the need of the prosecutor to preserve the exhibits. Some exhibits are permanently preserved as historical in nature.

### *Records access responsibilities*

This area ensures that cases scheduled for hearing are prepared for transport to the courtroom and placed on a transport cart. Once the court and the District Clerk's Court Support staff are finished using the file, Records staff return the file to the shelf. Criminal case records, unless sealed by law or order, are public in nature.

Criminal Records and Information personnel maintain the public counter in the Criminal Division and assist attorneys and customers who wish to view records through use of public computers in the Criminal Division or by providing them access to the paper record if the computer record is not sufficient for the attorney/customer's needs. Some requests for records are received by email or mail, particularly from law enforcement and prosecutors, for purposes in charging or prosecuting a subsequent offense. Records staff are responsible for researching such requests and preparing certified copies of judgments in these cases and sending them to the requestor. Most of these certified copies are now disseminated electronically via email.

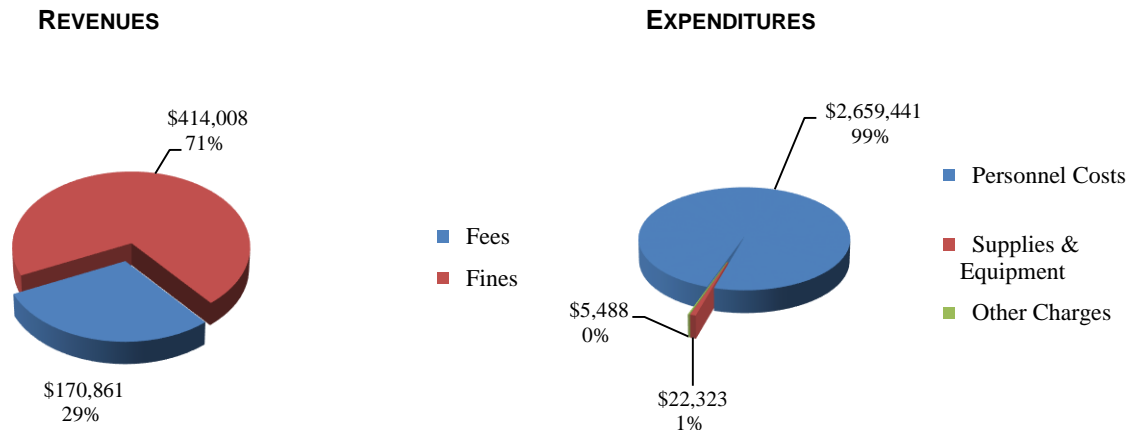
### *Ancillary document filing and Subpoena responsibilities*

Criminal Records and Information staff at the public counter accept and file stamp motions, returned warrants and commitments, and other filings submitted in person or via mail. They docket them into the case management system and scan them into the document management system.



They also accept subpoena requests and issue the requests for the criminal division. The majority of subpoena requests are electronically submitted by the District Attorney and then electronically issued by the District Clerk.

#### FISCAL YEAR 2014 FINANCIAL DATA



#### CRIMINAL DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk ratings for the Criminal Division's business areas:

Business Process	Risk Rating
Grand Jury	Very High
Court Support	Very High
Accounts Payable/Disbursements	High
Attorney Appointment	High
Case Disposition	High
Records	High
Revenue Generation	High

The following are the primary risk areas/control objectives for this division:

1. In order to help ensure that proper supporting documentation is maintained and that court cases proceed properly, case information should be properly recorded and tracked.
2. Funds received should be properly accounted for and safeguarded from loss and misappropriation.
3. In order to ensure compliance with applicable statutes, fees should be properly collected and disbursed.



4. Sensitive information should be properly secured from outside parties to prevent the loss or misuse of that data.

## **CRIMINAL DIVISION AREAS OF CONCERN**

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

### **Inventory Evidence for Criminal Cases**

Testimony regarding the chain of custody is used to authenticate an item of physical evidence – that is, to establish that the evidence is what it purports to be. If evidence cannot be authenticated, it cannot be relied upon as trustworthy by a judge or jury, thereby potentially severely undermining the value of any forensic expert testimony. Any number of events or factors could break the chain of custody. For example, we noted that the Clerk’s Office does not have adequate space to secure or safeguard criminal case evidence. There are no fully secured rooms for evidence, and check out/tracking procedures are insufficient.

The Criminal Records section also does not have adequate storage and security to maintain evidence. The Criminal Section is located on the first floor Room 1.400 of the Criminal Justice Center, just under the 2nd Floor Inmate Holding Cells. The Inmates are held there when they are brought to Court by the Sheriff’s Office. In the past, there have been several instances of Inmates flooding the toilets, resulting in water damage to the office below and potential health risks to the staff working there.

### **Media Attention/Damage to Confidential Proceedings**

The Grand Jury Office is the first point of contact for the news media, and news station staff members are almost always in the office. Media exposure risk appears to be properly mitigated; however, there is the potential that conversations may be overheard by the media as well as the media being able to see information being entered into the FACTS systems. The Clerk’s Office should review the location and the layout of this office in order to provide privacy from risk of disclosure by the clerk’s working in this area.

The Grand Jury Manager requested that we refrain from voicing any concerns or information where it could attract media attention. It appears that the location and layout of the office may not provide the adequate privacy needed for the security of confidential information.

### **Criminal Fees for Appeals**

Criminal court costs related to appeal filings are not assessed or collected. Most of these appeals are filed by indigent inmates that are unable to pay the applicable court costs. However, in order to properly account for statutorily-required court costs, all of these items should be assessed in FACTS. Court costs for inmates deemed to be indigent should then be waived, while collect efforts should occur for the remainder.

### **Unsecured Case Files**



Confidential case files and case files are kept in a maintenance closet labeled “Fire Room” which is sometimes locked. Sealed case files are maintained in a file cabinet that is not always secure.

### **Conflict of Interest Disclosure**

Court Clerks are required to inform supervisors if there is a conflict of interest in a petition they are assigned. However, outside of reliance on the court clerk to bring this to the attention of their supervisor, there is no way to ensure conflicts of interest are avoided on assigned cases. The District Clerk Office’s should develop an ethics policy detailing the importance of a conflict of interest. The policy should detail and describe potential conflicts. A conflict awareness program would also help to educate and train the clerks in professional development. When there is a conflict of interest, a signed disclosure form can be developed by the office and the clerk involved can describe the conflict and sign the disclosure.

We noted one instance where a clerk was allowing her spouse, who is an attorney, to come behind the counter and sit at her desk where documents and files were available to him.

### **No Suit Process**

The term “No Suit” is used broadly to represent any of several ways to terminate a legal action without an actual final determination of the applicable legal issue/dispute. There is currently a formal process in place to ensure that outstanding petitions are dismissed when a petitioner chooses to terminate a suit in one of these ways. In some instances however, a petition to dismiss has been granted by the court that was not filed by the District Clerk in the court record. This primarily occurs when the petition to dismiss is accidentally returned to the attorney making the motion instead of the court clerk. This failure to file can result in these cases continuing to move through the legal process instead of being properly being terminated.

### **Digital Signatures**

A digital signature is an electronic sound, symbol, or process attached to or logically associated with a record or document and executed by a person with the intent to sign the record or document. The District Clerk’s Office is in the process of implementing this function to improve efficiency, provide security around transactions, and enhance collective approvals in a fraction of the time, compared to conventional ink signatures for criminal case documents.

Digital signatures use electronic authentication to establish confidence in user identities that are electronically presented to an information system. Individual authentication is the process of establishing an accepted level of confidence and assurance for an accepted level of risk. The District Clerk’s Office should develop a security awareness program and policies and procedures for mitigating this risk.

### **Research and Copy Request Process/Cash Receipt Process**

Customer “Criminal Records Request” forms and payment information are left unattended when court clerks are away from their desks. This can leave customer financial information (credit card information) and checks at risk for theft. These should be secured in a locked drawer when away from the desk. Employees, private defense attorneys, and others walk around the Criminal Records/Court Support Divisions unescorted.



Signature stamps and Travis County Seal stamps are not all secured when the employees are not at their desk. One employee reported locking them when away from her desk and two other employees reported not locking the stamps when they are away.

The cash change fund for the Criminal District Clerk's Office is placed in an envelope each night and put into the vault. There are multiple people with access to the vault, thus leaving the cash vulnerable to theft at night.

There is no mail log to record and reconcile checks received via the mail to those that are deposited or entered into the system. This is not a high risk concern, as the amount of money received for research and copy requests is not large; however a mitigating control should be in place separating the duties of the person entering the receipt of services and the party fulfilling the requests.

### **Disposition and Retention Process**

There is a risk of incorrect information being released to the public and governmental agencies (FBI, DPS, etc.) due to the length of time a file waits before it is audited. The files currently under audit were disposed approximately a year ago. This could result in negative publicity or a lawsuit risk.

When files are being audited, the uploaded documents are not checked to verify they are signed or if a signature is necessary. Since the unsigned document is not valid in some situations, this causes a problem if a signed/executed document is needed later.

There is no tracking system for the case files when they go to court. Sometimes case files cannot be found when needed. The clerk does try to make a note in the old Microsoft Access system if files are sent to storage or checked out by the DA's office, but this only covers part of the movement of files in and out of the District Clerk's Criminal Division.

### **CRIMINAL DIVISION MANAGEMENT RESPONSE**

Media Attention/Damage to Confidential Proceedings [pg. 54] - Policy has been amended so that members of media can now access documents in the lobby area and not in the Grand Jury office.

Disposition and Retention Process – New process has been updated so that now files are audited and verified at disposition and the entire office works to audit and verify the current boxes of files. Therefore, current files that are closed or disposed are generally audited and verified within 30 days of disposition.

Auditing and verification does require signature confirmation if a signature is necessary before it is sent for destruction.



# CIVIL AND FAMILY DIVISION

## CIVIL AND FAMILY DIVISION RISK PROFILE

### MISSION AND OBJECTIVES

The mission of the Civil Division is to be the office of record for all civil and family law proceedings heard in the district courts. The major sections of civil and family law case activity consist of Governmental Pleadings, Family Law and General Litigation. Governmental Pleadings are cases in which a governmental entity is involved such as Property Tax Delinquent Sales and Eminent Domain. Family Law pertains to divorce, adoption, child custody, and child support. General Litigation involves all suits with monetary damages in excess of \$10,000.

### SIGNIFICANT ACTIVITIES

#### Case Coordination/Court Support

This area is responsible for case initiation/reactivation, issuing process and writs, maintaining case and party status, and receipting court costs for most lawsuits. These lawsuits include family law (divorces, name changes, parent-child relationship, family violence protection, adoptions, and judicial bypass contracts, debt collections, equity relief, and torts, including those cases brought by both private and governmental entities).

In addition to their case coordination duties, employees are assigned to a judge and attend court as needed. The amount of time required in court varies as to the number and type of cases assigned to each judge on a daily basis.

#### Civil Records

This section is the primary point of public contact for purposes of receiving copies of court records, researching cases, and providing public information. It is responsible for storage, retrieval, and public access of the records received by the District Clerk in all civil cases, which includes both active and adjudicated cases. Most incoming records are converted to digital format using the Document Management System; however, documents and exhibits are maintained in both original (paper) and digital formats.

#### Records Management

Employees are assigned to the public counter, where they are able to accept, stamp, and file orders signed by judges; provide copies and certified copies along with receipting payments for such copies; provide case records (in paper, electronic, and micrographic formats) for viewing, assist customers in searching for cases based on party name; and order records maintained at the county's offsite records storage.

Much of the work performed in civil records is expedited through the development of online ordering forms and the ability of the District Clerk to create and deliver certified electronic copies (a process that was created by the District Clerk's Information Technology Division).

Employees assigned to the records storage room answer the main civil telephone line, as well as general and case related questions. They also process and distribute mail; perform archival



scanning activities; process and store exhibits tendered by court reporters; process and store State of Texas administrative records tied to administrative appeal/judicial review lawsuits; maintain all confidential records in the vault; and coordinate the transfer of records to and from the records storage contractor.

While the District Clerk has aggressively implemented its use of electronic case files, there are decades of paper records in the archive that are awaiting conversion to electronic format. *Most of these records are on microfilm and will require the use of special equipment to convert.* However, there is a significant number of paper case files stored at the District Clerk's two downtown offices and at the County's offsite contract facility. The District Clerk has redirected what internal resources are available toward converting all paper records to electronic format. This conversion has multiple benefits: it reduces the amount of space required to store records; electronic records are more secure, easily accessed, and can be accessed from multiple locations; and records preservation is improved as electronic records can be easily and cheaply duplicated.

Unfortunately, the department does not presently have the resources to make a significant impact on the number of paper records in the archive. To address this situation, the District Clerk is submitting a budget request to initiate a multi-year process of converting these paper records to digital. This request will be submitted in two parts: one for use of District Clerk Records Management funds and the other requesting use of general revenue funds.

It should be noted that all bond and court cost assessment and collection is performed by the District Clerk's Accounting Section. Reporting to the Department of Public Safety and Office of Court Administration is the responsibility of the District Clerk's Information Technology Division (Technical Support). The management of the jury summoning and assignment process is the responsibility of the Jury Office.

### **Ancillary Operations**

Ancillary Filing Intake handles filings involving less detailed entry with no associated court costs to receipt, parties to track, process/writs to issue, or decisions to be made about the status of a case that triggers reporting to the State.

### **Attorney General IV-D (OAG IV-D)**

This division processes all filings from the Texas Office of the Attorney General Child Support Division. These filings represent the largest percentage of family law cases and include motions to modify or enforce in existing cases as well as new cases. Their duties are the same as those in Case Coordination/Court Support except that no receipting of court costs is involved as the OAG IV-D office is billed on a monthly basis for the portion of fees they are liable to pay.

### **Appeals**

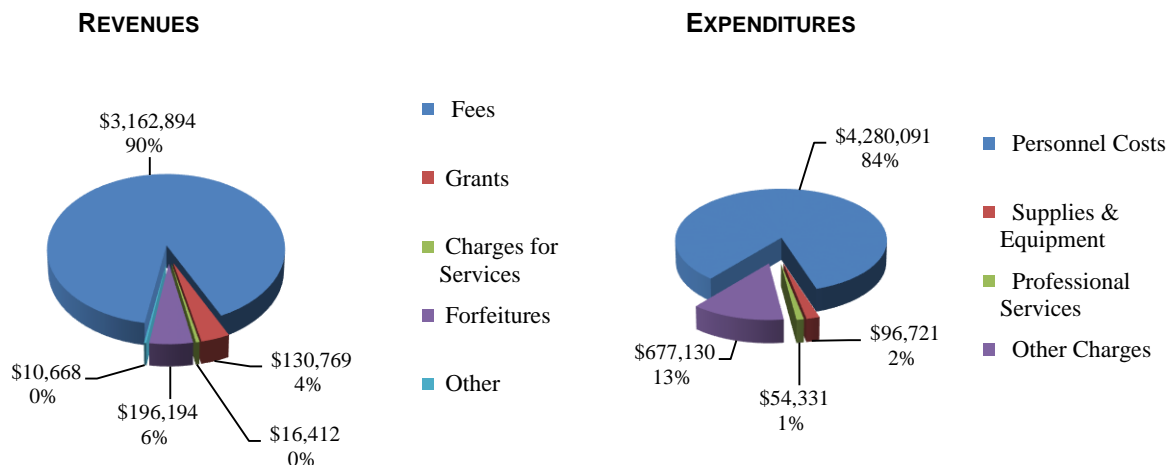
If a party does not agree with a judgment, they have the option to appeal the case. The process begins with filing a Notice of Appeal (NOA). The 3<sup>rd</sup> Court of Appeals typically handles cases that are being appealed in Travis County. There are different types of appeals each having a designated time frame by which to file. If NOA is not filed timely, the party loses the right to appeal the case.



There is no fee to file a NOA. The only fee associated with filing an appeal is for copy fees. The process includes:

- Filing the petition.
- Giving legal notice to the other party or parties.
- Finalizing the matter in court.

#### FISCAL YEAR 2014 FINANCIAL DATA



#### CIVIL DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS

The following chart depicts the risk ratings for the Civil Division's business areas:

Business Process	Risk Rating
Filing a Petition	Very High
Appeals	High
Final and Miscellaneous Orders	High
Procurement	High

The following are the primary risk areas/control objectives for this division:

1. Funds received should be properly accounted for and safeguarded from loss and misappropriation.
2. In order to help ensure that proper supporting documentation is maintained and that court cases proceed properly, case information should be properly recorded and tracked.
3. In order to ensure compliance with applicable statutes, fees should be properly collected and disbursed.



4. Sensitive information should be properly secured from outside parties to prevent the loss or misuse of that data.

## **CIVIL DIVISION AREAS OF CONCERN**

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

### **Transfer and Appeal Cases**

The Bill of Costs for Transfer and Appeal cases are not reviewed by someone other than the preparer before they are distributed. This would help ensure billings are complete and accurate.

### **Miscellaneous Civil Process – CPS Cases**

The filing fees associated with CPS cases are waived. Certain event codes are used for waived fees and clerks are able to enter these entries into the case management system (FACTS). However, there is no periodic review by management of waived fees to ensure they are valid and accurate.

### **Final and Miscellaneous Orders**

The routing of orders once they have been signed by the judge appears to be inadequate. In uncontested court cases, the original order is scanned (scanning is performed in the courtroom) and entered into the case management system after it has been signed by the judge. The order is then routed to the third floor of the District Clerk's Office so it can be filed. A copy of the signed order can then be obtained by attorneys or other parties after it has been filed.

In contested court cases, the original order is given to the attorney on record or the opposing party after the judge has signed it but before it has been filed. Per District Clerk staff, there have been instances where the original order has been altered or one of the parties has neglected to take it to the third floor of the District Clerk's Office to be filed.

### **Conflict of Interest Disclosure**

Court Clerks are required to inform supervisors if there is a conflict of interest in a petition they are assigned. However, outside of reliance on the court clerk to bring this to the attention of their supervisor, there are no processes in place to help ensure conflicts of interest are avoided on assigned cases.

The District Clerk Office's should develop an ethics policy detailing the importance of a conflict of interest. The policy should detail and describe potential conflicts. A conflict awareness program would also help to educate and train the clerks in professional development. A Conflict of Interest Disclosure Form could also be developed and signed by all staff member annually or as situations arise.

### **No Suit Process**

The term "No Suit" is used broadly to represent any of several ways to terminate a legal action without an actual final determination of the applicable legal issue/dispute. There is currently a



formal process in place to ensure that outstanding petitions are dismissed when a petitioner chooses to terminate a suit in one of these ways. In some instances however, a petition to dismiss has been granted by the court that was not filed by the District Clerk in the court record. This primarily occurs when the petition to dismiss is accidentally returned to the attorney making the motion instead of the court clerk. This failure to file can result in these cases continuing to move through the legal process instead of being properly being terminated.

#### **CIVIL DIVISION MANAGEMENT RESPONSE**

No Suit Process – Parties that no longer want to pursue cases have the option of dismissing by filing a notice with the Clerk or obtaining a dismissal by the Court. In addition, the Court Administrator’s office periodically dismisses cases for failure to prosecute in a reasonable timely fashion.



# **JURY MANAGEMENT AND PASSPORT DIVISION**

## **JURY MANAGEMENT AND PASSPORT DIVISION RISK PROFILE**

### **MISSION AND OBJECTIVES**

The mission of the Jury Management and Passport Division is to coordinate all jury matters for the courts and the City of Austin and to act as a passport acceptance agency.

### **SIGNIFICANT ACTIVITIES**

#### **I-Jury**

The Jury Management Division uses the Internet based I-Jury application; a jury impaneling system developed in conjunction with Travis County Information Technology Services (ITS). As a result of this system and the method by which jurors are assigned, Travis County does not have a jury assembly room where jurors traditionally report, are processed, and then sit while awaiting a court assignment.

The Jury Office, using the internet based system, is able to use the internet to qualify jurors, capture any conflict dates as part of the trial assignment protocol, screen for excuses and jurisdiction of residence, and assign each juror to a court scheduled jury trial that fits into each juror's schedule.

The Interactive Voice Response (IVR) system is used to send reminder phone calls and text updates to a juror's court assignment, including cancellations. Email reminders and updates to assignments are also sent to jurors. In this manner, the failure to appear rate is kept relatively low.

#### **Jury Reimbursement**

This area is responsible for preparing, processing and disbursing over 17,000 checks or (\$550 thousand annually) for jurors who serve municipal, justice of the peace, county and district courts (civil and criminal).

#### **Passport Division**

The Passport Division is responsible for collecting and reconciling fees paid by credit cards, cash, and checks for passport applications on a daily basis. The passport application services have become critical within the community due to a reduction in the availability of U.S. Postal Service workers to process these applications. The Post Office now routinely refers passport applicants to the District Clerk. It should be noted that, combined with the passport services offered at the District Clerk's Jury Office, the District Clerk brings in over half a million dollars in revenue for these services, an amount which significantly exceeds the cost of delivering the services.

The Passport Division is primarily located at the Travis County Airport Boulevard campus; however, there is a small group that is located in the Civil Division at the Marion Sweatt Courthouse.



## **JURY MANAGEMENT AND PASSPORT DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS**

The following chart depicts the risk ratings for the Jury Management and Passport Division's business areas:

Business Process	Risk Rating
Passports	Very High
Jury Management	High

The following are the primary risk areas/control objectives for this division:

1. Funds received should be properly accounted for and safeguarded from loss and misappropriation.
2. Sensitive information should be properly secured from outside parties to prevent the loss or misuse of that data.
3. Jury reimbursements should be properly accounted for and prepared to help ensure that these funds reach the proper recipients.

## **JURY MANAGEMENT AND PASSPORT DIVISION AREAS OF CONCERN**

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

### **Cash Handling and Safeguarding**

The Passport Division collects fees on a daily basis. After passports applications are completed, the clerk brings the customer to the manager's office which is located in the rear of the office, at which time the customers pay their fee to the manager. All funds collected in this manner are maintained in the manager's desk until the deposit is picked up by the armored car.

There is also a Court Clerk who receives all of the funds from the other clerks in the absence of the manager. Passport applications and the funds collected are maintained in a locked cabinet but the key to the cabinet is kept in the court clerk's desk. The Passport Division does not have a designated cashier or an adequate safe to secure the funds collected. In addition, customers have to walk to the rear of the office to pay their fees and then walk past all of the clerks to exit the office.

The Jury Management Division does not have a cashier to collect money received; instead the Jury Division Manager collects and verifies the payments. When the passport clerks have completed processing the customer's application and documentation, they escort the customer to the manager's office which is located at the rear of the room. All funds collected are maintained in the manager's desk, as there is no safe to secure the funds. The manager also prepares the daily deposit



for the bank, which is picked up by armored truck service. The manager states a desire to designate a cashier and install security glass to separate the customers from the cashier.

### **Personally Identifiable Information (PII)**

This type of data is information that can be used on its own or with other information to identify, contact or locate a single person. The Jury Questionnaires includes social security numbers, names, addresses and other personal information that increases the risk of identity theft should outside parties obtain it. The Jury Questionnaire is printed for court use and scanned or emailed during the preparation of jury checks.

Controls need to be improved to ensure that this information is safeguarded and destroyed once it is no longer needed.

### **Master File Changes to Personally Identifiable Information**

The Criminal Court Support Division court clerk can change the name and/or address of a juror in the Jury Management system at the time of requested payment, without a signed document to support the change. To provide proper separation of duties and operational efficiency, a juror correcting his/her personally identifiable information such as name or address should provide documentation disclosing the change.

### **Texas HB 3996 Relating to the Donation of Juror Reimbursements**

Effective September 1, 2015, jurors will now be able to donate their reimbursement to the Veterans Court Program. The Travis County Veterans Court Program is fully funded by state grants, and any donations received from jurors will need to be treated as program income to the grants. Donations received for the Veterans Court Program need to be properly accounted.

## **JURY AND PASSPORT DIVISION MANAGEMENT RESPONSE**

Cash Handling and Safeguarding – The change in process effective as of February 2015 is that a safe has been installed and bolted to the Manager's office floor to secure funds after normal business hours. In addition, security glass to separate the customers from the staff at the front desk has been on order since February 2015.

Master File Changes to Personally Identifiable Information – A proper separation of duties is in place because someone in the Finance Section of the District Clerk's office confirms and verifies the juror information before any checks are printed and distributed.



# EXPUNCTIONS DIVISION

## EXPUNCTIONS DIVISION RISK PROFILE

### MISSION AND OBJECTIVES

The mission of the District Clerk's Expunction Division is to remove or destroy from agency and public records the case history of individuals who have met the qualifications under law.

### SIGNIFICANT ACTIVITIES

- Receives and process petitions, motions and orders in criminal expunction cases that are hand delivered, mailed, or emailed to the District Clerk. All paperwork is processed in accordance with the Texas Code of Criminal Procedure, Chapter 55, Article 55.01.
- Sends notice to all agencies listed in the petition on Notice of Hearing and/or Notice of Order Granting expunction.
- Prepares expunction appeals including determining due dates to be filed with Appellate Court.
- Promptly assists customers with any requests. This includes attorneys, law enforcement personnel, county offices, and representatives of outside agencies.
- Maintains docket schedule/calendar for Criminal District Courts on daily basis.
- Coordinates with departmental staff to ensure that all expunction/non-disclosure files are available in court on the designated hearing dates.
- Enters, retrieves and updates information in multiple data systems (Efile, FACTS, DMS Historical, Criminal Index, Tiburon, Microfilm, Appeal Creator, TAMES) to expunge, update, or seal the felony case file.
- Files paperwork and records returned to the District Clerk's Office related to an expunction in the appropriate file. Files are kept current to ensure that all appropriate paperwork for the expunction is destroyed with the file at the time of destruction. Keeping files current also ensures that customers will receive the most updated information when requested.
- Destroys all expunction records on the anniversary date on which the order was signed.

If a person meets the qualifications set by law and court order, they may send the petition to have the record expunged. All expunction petitions, except those for identity theft, are sent to the Expunction Division. The Expunction Division notifies agencies about the petition and sets a docket date and time for the petition to be presented to a judge. If the judge approves the petition and signs an order, the Expunction Division must destroy their Travis County case records and send notice for other listed governmental and licensing agencies to purge their records. Petitions for expunctions due to identity theft are filed and scheduled for court by the Travis County District Attorney's Office.

## EXPUNCTIONS DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS

The chart on the following page depicts the risk ratings for the Expunctions Division's business areas:



Business Process	Risk Rating
Petition Filing	Very High
Court Review	High
Case Expunction	High

The following are the primary risk areas/control objectives for this division:

1. Data transmission and storage – in order to prevent inappropriate use of expunction data, transmission and storage of data should be properly secured.
2. Destruction of records – in order to meet the applicable legal requirements, records related to expunged cases are to be deleted or destroyed.

#### **EXPUNCTION DIVISION AREAS OF CONCERN**

During our risk assessment, we noted the following controls that do not appear to be sufficiently mitigated by active internal controls:

##### **Transmission and Delivery of Expunction Records**

Transmission and delivery of expunctions records, documents, and attachments does not occur over a secure process as required by statute. Clerks were under the assumption that they were transmitting expunction records with encryption via email; however, when we tested these transmissions, we determined that they were not encrypted.

##### **ACTION TAKEN**

Immediately after the District Clerk was notified of this issue, procedures were put into place to enable the Secure Encrypted Email feature using Cisco IronPort. We verified that the implementation of this process resolved this issue.



# ACCOUNTING DIVISION

## ACCOUNTING DIVISION RISK PROFILE

### MISSION AND OBJECTIVES

The Accounting Division is responsible for all financial activities required in processing all civil and criminal casework filed, issuing court processes as required on civil and criminal cases, supporting the civil, criminal, information technology, jury, and executive administrative divisions of the District Clerk in court proceedings, and providing access to and assistance in researching civil and criminal case records. The Accounting Division is a support division in the District Clerk's office. It collects and distributes all of the revenue to the Travis County Treasurer.

The Division coordinates activities among three distinct layers of county and state government:

- Civil and Criminal County/District Courts, 3<sup>rd</sup> Court of Appeals and other appellate regions as designated by the Office of Court Administration.
- District Attorney, County Attorney, Attorney General, and Community Supervision and Corrections Department.
- Various government entities including the Domestic Relations Office, Tax Office, both County and District Attorneys' Offices, Sheriff's Office, Constables' Offices, Auditor's Office, State Comptroller and the Department of Health.

Spread throughout these layers of District Clerk operations are Travis County's Information Technology Systems Department and Records Management and Communications Resources.

To support the District Clerk's Office, the Accounting Division has eight main front line operational groups:

- 1) Court Registry (Civil and Criminal Bonds), Special Court Registry (Un-Invested and Invested)
- 2) Property Tax (Civil Division)
- 3) Court Costs and Fines (Civil and Criminal Divisions)
- 4) Personnel and Operations (All Divisions)
- 5) Attorney General (IV-D Cases)
- 6) Passports (Jury and Civil Divisions)
- 7) Records (Civil Division)
- 8) Jury (District Courts, County Courts, Municipal City of Austin, and Justice of the Peace Courts).

### SIGNIFICANT ACTIVITIES

#### Court Registry/Special Court Registry

The Court Registry operational group is responsible for preparing, processing, and acting as custodian of deposits of monies and documents related to District Court cases. It also monitors and validates registry requests and inquiries for disbursements and distributes revenues



appropriately to the Travis County Treasurer. It manages over \$15 million for more than 900 minor account registries and invested interpleaders accounts and over \$3 million for more than 400 criminal bond accounts. It provides management with monthly financial reports and conducts historical trend analysis.

The funds held in the registry of the court do not belong to the county; rather they are essentially held in trust by the Clerk to satisfy the results of a legal pleading or await the outcome of a legal proceeding.

There are many types of funds that are deposited into the registry of the court. They include:

- Civil court deposits
- Probate court deposits, including funds of minors and incompetent persons
- Child support payments paid through the Clerk's office
- Interpleader funds
- Funds paid in satisfaction of a judgment
- Cash bonds
- Cash bail bonds
- Eminent domain deposits
- Funds from execution sales
- Excess funds from tax sales

### **Property Tax**

The Property Tax operational group is responsible for maintaining the documentation of Travis County tax cases and handling receipt of excess proceeds on the sale of properties that are delinquent in property taxes. It manages over \$550 thousand in excess proceeds that are due to delinquent owners of seized property. It monitors and validates registry inquiries and requests for disbursements and distributes funds appropriately to the Travis County Treasurer and the various taxing authorities. It also provides management with monthly financial reports on activity.

### **Court Cost and Fines**

The Court Cost and Fines operational group is responsible for the management of over \$25 million in annual revenues received and the daily reconciliation of all bank accounts and the preparation of daily deposits for courier pick-up. It performs daily closeouts, including remitting funds to the Travis County Treasurer and debiting customer accounts for court costs and fines. It coordinates and resolves with other divisions and other county offices out of balance conditions, processes checks returned for insufficient funds with the County Attorney for collection, and makes the necessary adjustments to accounting records.

### **Personnel and Operations**

Purchasing, payroll, travel requests and human resources are some of the other operational functions this division is responsible for in supporting the District Clerk's Office. It's responsible for preparing, validating, and issuing purchasing requests and receipt of purchases. It prepares and validates accuracy of bi-monthly timesheets and coordinates with management on preparation, approval, and distribution of new hires, termination, and other payroll changes for all divisions. It



handles all travel requests submitted that require authorization and makes travel arrangements, including hotel reservations and payments for conferences for office personnel.

#### **Attorney General (IV-D Cases)**

The Attorney General initially reimburses 66 percent of the costs incurred when providing legal services to children in custody, visitation, and child support cases to the District Clerk's Office. Once a final judgement has been determined and adjudicated, the District Clerk's office begins the process of billing the non-custodial parent for the total court costs owed. The State of Texas (Attorney General) will get reimbursed for the portion that they initially paid.

The other operational areas are addressed in their respective divisions.

#### **ACCOUNTING DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS**

The following chart depicts the risk ratings for the Jury Management and Passport Division's business areas:

Business Process	Risk Rating
Bonds	High
Cash Handling	High
Fixed Assets	High
Government Billings	High
Information Systems	High
Jury Checks	High
NSF Checks	High
Special Court Registry	High
Bank Reconciliations	Medium

The following are the primary risk areas/control objectives for this division:

1. Fiduciary funds should be properly tracked, reviewed, and accounted for to prevent loss or misappropriate.
2. Implementation and maintenance of sufficient cash handling and bank reconciliation controls are essential to safeguard funds from loss or misappropriation.
3. Disbursements should be properly prepared, accounted for and approved to help prevent misappropriate or incorrect distributions of County or fiduciary funds.

#### **ACCOUNTING DIVISION AREAS OF CONCERN**



## **Collections**

The District Clerk's Accounting Division does not have an adequate billing or collection management information system to effectively follow-up on delinquent payments. This prevents the District Clerk from collecting a rising receivable balance of over \$28 million. County employees have a fiduciary responsibility to safeguard County funds. This extends to the duty to pursue the collection of all monies to which the County is entitled. These outstanding fines and fees continue to increase annually.

The District Clerk's Office is working collaboratively with the County Clerk, Tax Assessor-Collector, Information Technology Services and the Purchasing Office to request additional resources to address the millions of dollars in receivables due at the department level. These offices have requested Commissioners Court approval to direct the Purchasing Office to begin negotiations with third parties regarding solutions for the collections of past due civil and criminal fees.

## **Government Billings**

Checks received in the mail are not restrictively endorsed when received by the Recording Division. A receipt log is utilized, but the payments are only stamped later by Accounting, the division responsible for recording the payments. Also, duties related to billing, recording, and adjustments for Government Accounts Receivables are all performed by the employee that is responsible for the daily close and deposit. No formal supervisory review process for the payments posted by this employee is currently in place, only the deposit is reviewed by a supervisor at a later date.

## **Payment Card Industry Data Security Standard (PCI DSS)**

PCI DSS is a method for evaluating the security and compliance of entities that process, store, or transmit credit card holder data. The number of transactions handled by these entities determines the level of review required in order to evaluate the third party provider processes and controls.

The District Clerk does not currently receive this required compliance document for their credit card processor. We recommend that the District Clerk obtain and review this report from this vendor.

## **EMV Credit Cards**

EMV -- which stands for Europa, MasterCard and Visa -- is a global standard for cards equipped with computer chips and the technology used to authenticate chip-card transactions. In the wake of numerous large-scale data breaches and increasing rates of counterfeit card fraud, U.S. card issuers are migrating to this new technology to protect consumers and reduce the costs of fraud.

Beginning Oct. 1, 2015, businesses — including Travis County— that do not use credit-card terminals designed to accept EMV chip cards will be liable for counterfeit card fraud losses. That means if an individual pays with a counterfeit credit-card at a business that doesn't use an EMV card reader; the business will be responsible for that charge-back. This marks a liability shift, as, up until this October, any counterfeit credit-card charges would be paid by the card's issuing bank. Essentially, businesses that don't employ EMV card readers could be responsible for some hefty charge-back costs.



We recommend that the District Clerk work with their credit card processor to be in compliance with this standard, and that they review and update internal controls to mitigate these risks.

### **SAP Online Training Courses**

Going forward, SAP access will not be granted if an individual has not completed the required training for a new SAP requested role. The required training is available online and employees do not need any special permission to take any online class. The online courses are available at <http://tcsaphelp> or Travis Central via the employee link: SAP Training and Help.

We recommend that all SAP users stay current on all training courses and periodically review the course offerings.

### **JPMorgan Chase Online Banking**

Travis County banking services are combined and negotiated under one depository contract for all offices and departments which the Cash Investment Management (CIM) Office manages for the county. While the bank account is in the name of the Elected Official, CIM is responsible for overall contract services and costs.

The county receives an Earnings Credit Rate (ECR) on balances held at the bank in non-interest bearing accounts. The ECR (.45%) is used to offset banking fees when possible. The ECR is at an all-time low.

Every year, CIM employees along with the JPMorgan Chase Client Services Officer, meets individually with all of the Travis County Offices and Departments to provide a Banking Relationship Review. The goal of the Relationship Review is to enhance the quality of services provided to the offices in support of their financial objectives. The review also recommends products and services such positive pay and paperless statements, for example, which may be beneficial to the security and efficiency of the office. The review also suggests ways to reduce cost.

We recommend that the District Clerk incorporate appropriate best banking practices suggested by CIM and the Relationship Review in order to contain increasing costs. The District Clerk's Office should also require all staff having online access to periodically review and complete security awareness training offered by the bank and the ITS Department. In addition, specific policies should be developed and updated addressing these issues and risks and any issues not currently addressed.

### **ACCOUNTING DIVISION MANAGEMENT RESPONSE**

EMV Credit Cards – The District Clerk has learned that the issue regarding liability for counterfeit card fraud losses has already been addressed by the Travis County Purchasing Department.

JP Morgan Chase Online Banking – The District Clerk has met with the Travis County Cash Investment Management [CIM] Office and will continue to incorporate and implement suggested best practices to address continued security, efficiency, quality and cost reduction issues.







# INFORMATION TECHNOLOGY DIVISION

## INFORMATION TECHNOLOGY DIVISION RISK PROFILE

### MISSION AND OBJECTIVES

The mission of the District Clerk's Information Technology Division is to provide support to the District Clerk's office in all aspects of information technology, maintain the integrity and confidentiality of its records and data, provide optimal service to its customers, meet standards and timelines in reporting to the State and other agencies, and maximize operational efficiency for all divisions. It has a myriad of responsibilities that are crucial to the District Clerk performing its statutory duties and has a very complex production environment with many different technologies and applications such as internet access, electronic record disposition, and security protocols for network services.

Given the increasing scope of the division's responsibilities and the limited resources available, this division has to perform multiple job roles and duties to ensure that the District Clerk's business requirements are met with the most efficient technological solutions.

### SIGNIFICANT ACTIVITIES

#### **Fully Automated Case Tracking System (FACTS)**

This division is responsible for the data maintenance in FACTS for the District Clerk's office. The case management system is the application that maintains the official record of all civil, criminal, and family cases. The system maintenance of FACTS is handled by the Travis County Information Technology Services Department.

The primary responsibilities for data maintenance are numerous and include adding, removing, and modifying document types and events as needed; running reports for Office of Court Administration, as well as internal audit reports; interfacing with the Document Management System for auto indexing; creating and modifying code tables including offense code updates/changes resulting from Department of Public Safety and legislative statutory requirements; creation and modification of forms/and basic crystal reports; and adding expunction agencies as needed.

#### **Document Management System (DMS)**

This division is also responsible for maintaining the document management system and ensuring that the interfaces with FACTS and EFileTexas function properly. The document management system is an imaging system that allows scanning of case documents and attachments directly with the case management system. Users are able to see a copy of the actual documents filed with the court and the need to maintain a paper copy is eliminated.

The primary responsibilities for maintaining the DMS include managing the DMS software and configuration of the workflow, user accounts, security, and document routing rules; adding, removing, and modifying document types and events as needed; resetting ten custom service applications daily; verifying specific queues throughout the day for malformed parcels and documents; rectifying malformed data; executing queries looking for orphaned documents and



duplicate barcodes; executing queries to find invalid cause numbers; and checking drive space on application servers.

### **EFiling**

This division is responsible for developing interfaces with the Texas EFiling system, which was developed under contract with a vendor (Tyler Technologies) selected by the Office of Court Administration (OCA). This application allows for the online filing of civil cases which was mandated by statute beginning January 1, 2015. Since the Texas EFile system was designed to interface with the vendor's case management system, this system interfaces with the District Clerk's DMS instead of FACTS.

The primary responsibilities for maintaining this application consist of extracting logs from the previous days results and loading them into the log database; monitoring the failure folder and correcting the failed packages and re-queuing them; submitting issues to helpdesk; searching and locating missing documents; and implementing the OCA technology standards for efilings.

### **Appeal Creator Status**

The division is responsible for the Appeal Creator, which performs all tasks necessary to prepare and transmit a Clerk's Record on Appeal to the designated appellate court. It interfaces with both the DMS and FACTS and uses other software tools such as Adobe to performing indexing, bookmarking, and the OCR of the appeal record.

### **Audit++**

To ensure optimal accuracy of the data in FACTS, Audit++, an application developed by the division that is used for error reporting and correcting. This application aids the data auditors in reviewing FACTS data entries and logging those that require revision or correction.

### **I-Jury System**

This is an application that automates the jury impaneling process, designed by the District Clerk's Office and developed and maintained by ITS. The Information Technology Division assists with the administration of I-Jury, particularly maintaining the configuration of the Interactive Voice Response (IVR) system that routes juror calls, provides responses to most commonly asked questions, and provides jurors SMS (text message) updates regarding an individual's jury service. Responsibilities include answering website questions and coordinating with ITS on the jury wheel data.

### **Attorney Access to Records Online - AARO**

This is an application that was co-designed with ITS and developed to reduce attorney demand for viewing case records at the Courthouse. Officers of the court (attorneys, law enforcement, court reporters, etc.) are allowed access with a user name and password and can view publicly available case records. This system, maintained by division, has significantly reduced the amount of traffic in the Records areas of both the Civil and Criminal offices.

### **Agency Upload**

Agency Upload was an application program interface originally developed by the vendor of the current DMS used by the District Clerk's Office. This application, maintained by this division, is



being revised and updated (as the vendor no longer supports the current DMS) so that its usage, presently limited to County users, can be expanded for purposes of submitting filings in criminal cases.

### **eIssuance**

The eIssuance application maintained by this division allows Court Clerks to electronically issue and transmit court processes (citations, notices, writs, and subpoenas) to Travis County Constables, as well as private service agencies. It also allows the District Attorney to submit criminal subpoena requests to the District Clerk's Criminal Division.

This application expedites preparing processes, and, because email is used to disseminate the processes, any misplaced or misrouted documentation is easily reprinted by the receiving office. This virtually eliminates the possible need for a court clerk to prepare these processes a second time.

### **Forms development**

To assist customers in requesting services from the District Clerk's Office, the division designed, created and maintains PDF forms that can be used by court officers (witness subpoenas and subpoena Duces Tecum forms) for requesting copies of records per the District Clerk's website.

### **Custom data reports**

The division provides subscriptions based on case data services to a variety of court support companies, aggregators of court data, and news agencies.

### **Crystal Reports**

The division modifies and creates ad hoc and specialized reports for FACTS.

### **Travis County District Clerk Website**

The division is responsible for updating the District Clerk's website with new forms, fees, and basic content.

### **Quality Assurance (QA) Team - Civil**

The Quality Assurance Team – Civil section has primary responsibilities for management of the Civil module of the FACTS system by adding expunction agencies as needed, converting data from historical cases, utilizing eHistorical, researching to ensure case and participants information is accurate and current, providing associate's security rights by creating security group assignments based on staff requirements, reassignments and hires, adding and removing users, verifying case status, dispositions, and event codes.

The QA team – civil also trains existing and new staff of FACTS functions, attends meetings with Court Administration when issues arise, audits reports to ensure reportable information was captured correctly for jury and court trials and monitors legislative changes to statutes.

The team is also responsible for the execution of Crystal Reports in FACTS to audit the daily work of all case managers for accuracy of electronic data entered such as case types, cause number, dates, event codes, addresses, participant information and attorney information. Other duties



include ensuring that statutes are followed and maintains documentation of departmental standards and changes.

This team utilizes the Audit++ application to report errors in the database, to track and verify error corrections to and from case managers and to notify the appropriate party, to categorize errors in order to evaluate negative trends by clerk, date and type of error.

It also utilizes the eIssuance application to audit eIssuance mailboxes daily to ensure all e-mails and attachments are delivered, notifies staff when e-mails fail or are returned as undeliverable and audits e-writ comments to determine if the correct event code has been added.

The team receives information from private process servers and adds them to eIssuance allowing them to receive documents electronically from the District Clerk's Office and acts as a liaison between departments in regards to standards, and works to resolve disputes.

### **Quality Assurance (QA) Team – Criminal**

The Quality Assurance Team – Criminal (R3 Group) has primarily responsibilities for management of the Criminal module of the FACTS system by creating and modifying code tables including offense code updates and changes, attorney information, and participant information; creating and modifying forms and crystal reports; providing security group creation for staff reassignments and new hires; creation and deletion of cases and case data; conversion of data from historical cases; and research and make corrections.

The R3 Group also trains existing and new staff within the office as well as other offices on FACTS functions. The team informs supervisors of any errors as well as working to help resolve these issues.

The R3 Group is also responsible for the Electronic Disposition Reporting (EDR) to DPS. Electronic Disposition Reporting reports the conviction from the court and/or the criminal history from the Sheriff's Office. It is used to update the criminal data bases maintained by the State of Texas and the Federal Government. Data which is updated in FACTS includes arrest date, booking number, booking date and any additional participant or case information necessary. When discrepancies are found, the R3 Group researches and contacts the Criminal Justice Information Systems group with the Sheriff's office and works closely with the District Attorney's Office (DA) to ensure data is corrected. Errors are researched by contacting the DA, County Clerk, Sheriff's Office, and/or DPS. Once a decision is made by all affected agencies the case is corrected in FACTS.

The R3 Group is also responsible for completing the monthly OCA reporting by providing audit reports to ensure reportable information was captured correctly for jury trials and trials by court; contacting the DA for certain data information that is not captured in FACTS but is required on reports such as Death Penalty and Hate Crimes data; providing correction of data; uploading data by XML to OCA website; distributing the data and information to appropriate parties such as judges, court administration, and DA; and attend meetings with court administration when issues arise.



A member of the group also attends the monthly Integrated Justice System (IJS) meetings as a Subject Matter Expert (SME) and receives updates on County projects and shares with appropriate individuals.

### **INFORMATION TECHNOLOGY DIVISION BUSINESS PROCESS RISKS AND RISK RATINGS**

The following chart depicts the risk ratings for the Information Technology Division's business areas:

Business Process	Risk Rating
Information Systems	High
Subscriptions	High
Change Management	Medium

The following are the primary risk areas/control objectives for this division:

1. To prevent a variety of legal, fiduciary and financial losses, County data must be secured from theft/unauthorized access.
2. Changes to and replacements for County applications should be properly managed to help ensure that user needs are met and County data is kept secure.

### **INFORMATION TECHNOLOGY DIVISION AREAS OF CONCERN**

#### **Data Subscriptions**

There is no contract or agreement between the county and their data subscription customers justifying the \$1,500 flat fee charge for the subscription. Additionally, the Information Technology Division charges a \$42.75 hourly rate for programming requests outside of their standard template. There is no documentation substantiating the hourly rate for programming.

#### **FACTS/DMS System**

DMS appears to be very slow and does not appear to accept all of the documents scanned. It may be in need of more server capacity. In addition, the Criminal Division appears to be behind in scanning the documents they have received.

#### **Documentation of Change Management**

The objective of the change management process is to minimize service downtime by ensuring that requests for changes are recorded and then evaluated, authorized, prioritized, planned, tested, implemented, documented and reviewed in a controlled and consistent manner.

Post-implementation, change details are documented in order to provide a record of the change (audit trail) that can be used in preparation for future changes or in future problem or incident handling. The specific manner in which changes are logged (e.g., spreadsheet, database, paper



files, problem/helpdesk software, etc.) can be decided upon by the information resource owners or custodians.

All changes should be tracked in a change management system. The change is documented in the change tracking system when the change initiator has completed the required level of technical verification and completes a change request. The District Clerk does not currently document its change management process sufficiently. We recommend that they implement best practices in this area.

#### **INFORMATION TECHNOLOGY DIVISION MANAGEMENT RESPONSE**

Data Subscriptions – The \$42.75 hourly rate charge for programming requests by the Information Technology Division was done in consultation with the Travis County Attorney and is based on the staff's hourly wage.



## **GENERAL AREAS OF CONCERN**

The role of an effective District Clerk's Office is much more than simply being the custodian of all court pleadings and papers that are part of any cause of action, civil or criminal. The District Clerk's Office must operate in a rapidly changing world with emerging challenges seemingly every day: new and complex statutory requirements, cyber threats, increased reliance on data and analytics, doing more with less, and more. To provide the greatest value, the District Clerk's Office must find opportunities to challenge the status quo to reduce risk, improve processes and controls, and identify potential efficiencies and cost benefits across all functional areas.

During our risk assessment, several internal control weaknesses that could lead to financial losses and operational consequences for the County came to our attention. There are some overall risks that pertain to the entire District Clerk's Office that we have explained in greater detail below:

### **SUCCESSION PLAN –TALENT RECRUITMENT AND RETENTION**

During the course of documenting the business process flows and performing the risk assessment, we noted the considerable expert knowledge and significant years of experience of many District Clerk employees. We also noted that several Division Directors would be retiring before the completion of this risk assessment, in addition to several vacancies in key positions. The County as a whole has experienced similar turnover in subject matter expertise due to staff retirement and advancement.

Succession Planning is an integral part of the strategic planning process and supports the District Clerk's long-term goals and objectives. Effective Succession Planning strategies mitigate risks associated with turnover and cultivate talent recruitment and retention. Increasingly, the District Clerk's Office is being called upon to expand its presence in more areas of responsibility for the County and become a strategic partner in the business of local government, like all County offices and departments. If the District Clerk is to successfully execute on its growing mission, it will need access to talented professionals and specific subject matter experts with knowledge of the District Clerk's ever changing duties and responsibilities. This need is made even more acute given today's scarcity of high-quality, experienced talent available locally.

The District Clerk's Office has several options for how to fulfil its needs, including full-time hires and outsourcing. The challenge for the District Clerk's Office is ensuring that the right talent is hired, retained, motivated, and developed to assist in achieving its business objectives and strategies. We recommend that the District Clerk develop and implement a succession plan for Division Managers and Supervisors in order to recruit superior employees, develop their knowledge, skills and abilities, and prepare them for advancement into ever more challenging roles.

### **MANAGEMENT OVERSIGHT/REVIEW**

Management oversight and review is a particularly important internal control category. These processes allow for important transactions and actions to be examined by experienced third parties for reasonableness, reliability, and completeness. Based on our reviews, it appears that



management oversight protocols are lacking for certain processes in all divisions. The most notable reason for the lack of management oversight/review in the District Clerk's Office appears to be a shortage of middle management/supervisory personnel. We also noted that some risks which could be mitigated with management review did not have a review process in place due to time constraints or staffing limitations.

The District Clerk's Office should develop a strategy to reorganize current positions or obtain additional mid-level management positions in order to serve as a compensating control improving management oversight for all business processes.

## **PERSONNEL**

District Clerk Managers are responsible for ensuring that all staff works together to achieve the Clerk's business goals and objectives. One of the primary issues that we noted was the increase in the volume of work, new areas of responsibilities, and complexity of processes that have not been offset with additional personnel.

The District Clerk's Office should develop methods to handle these additional challenges including the use of technology and non-traditional methods.

## **CUSTOMER SERVICE**

A high volume of customers come to the District Clerk's Office for a variety of services. Customers include defendants, plaintiffs, attorneys, other governmental agencies and other Travis County Offices. Customer service is essential in order to provide up-to-date information, maintain the superior reputation of the office and meet all business objectives.

A customer service training and education program should be developed and implemented to deal with these challenges.

## **REGULATORY COMPLIANCE**

The Clerk's Office is currently being inundated with changing laws and new regulatory requirements such as the e-filing requirement for civil cases and the new Grand Jury selection process recently passed into law. These new statutory requirements, of which just a few are cited here, are placing increased burdens and complexity to internal structures, information needs and cost.

The Clerk's Office should develop a strategy to lessen the restraining effects of compliance activities on business operations as well as ensuring compliance with the increasing number of regulatory requirements and controlling the costs of complying.

## **THIRD-PARTY RELATIONSHIPS**

To boost productivity and efficiency, the Clerk's Office is increasingly relying on third parties to carry out vital business functions such as credit card processing and debt collection agency



services. However, using third parties can expose the Clerk's Office to new risks and potential issues that can lead to lawsuits, operational problems, and reputational damage.

Business partners may not mean to do so deliberately, but they can fall short due to the complexity of the environment or their agreements. Often, third parties can have access to county applications and data, increasing the possibility of breaches, loss of data privacy and potential risks that the Clerk's Office may be unaware of when third parties are not monitored.

The Clerk's Office should develop a strategy to monitor and control third party relationships, contracts and performance of these activities.

## **STRATEGIC ALIGNMENT**

Strategic alignment helps ensure resources are being allocated toward the most important objectives and initiatives of the Office. They also help ensure that the Office aligns itself to the County's strategic priorities and remains relevant in light of organizational and other transformational change. Often, efforts to bring about strategic change can sometimes neglect to revise internal controls to conform to new initiatives.

The District Clerk's Office should form a strategic planning group for the office, consisting of the executive managers and selected staff (subject matter experts) as needed, to formulate a medium and long-term strategic plan for this office, including ways to address future risks and threats.

## **CYBERSECURITY, DATA PRIVACY AND PROTECTION**

The digital era has created unprecedented opportunities to conduct business and deliver services over the Internet. Nevertheless, as the County collects, stores, processes and exchanges large volumes of information in the course of addressing these opportunities, the District Clerk's Office faces increasing challenges in the area of data and cybersecurity, maintaining data privacy, confidentiality, and meeting related compliance obligations.

Several factors have driven the increased attention paid to cybersecurity issues, including changes in the threat landscape, rapid changes in technology, changing regulatory environments, as well as social and regulatory changes. The capabilities and techniques used by cybercriminals are continuously growing and evolving, especially concerning targeting specific information or individuals. New methods are constantly being developed by increasingly sophisticated and well-funded cybercriminals who can target organizations not only through networks directly but also through connections with suppliers, technology partners, and social networking. The consequences of lapses in security or security awareness can be disastrous for the Clerk's Office and reputation.

The District Clerk's Office should work with Information Technology Services (ITS) to periodically review all electronic policies dealing with email, internet, and social networking as well as completing the security awareness training offered by ITS. In addition, specific policies should be developed and updated addressing any issues and risks.



## **REVENUE RECOGNITION**

During our review, we noted instances where fees were not consistently collected for copies and appeal filings.

The District Clerk's Office should implement controls to ensure that these fees are properly assessed and collected in compliance with the applicable statutes.

## **INTERNAL CONTROLS**

Strong internal controls help to reduce the risk of operational losses or theft of County assets, including funds on hand. When we were documenting the business processes, management and staff of the District Clerk's Office were very knowledgeable about where internal controls were lacking and where improvements could be made to strengthen internal control.

The Clerk's Office should perform an internal control self-assessment periodically updating and adding controls as needed and ensuring that when processes change, controls are also being revised and documented.

## **POLICIES AND PROCEDURES**

As part of our methodology of documenting the business processes, we ask for copies of all written policies and procedures because they provide the established guidance and documentation in place. While some divisions were able to provide us with this documentation, others were not. In addition, some policies and procedures were not current or did not address emerging issues.

We recommend that the District Clerk's Office review all current policies and procedures and address any gaps.

## **DISASTER RECOVERY/BUSINESS CONTINUITY PLANS**

Several factors have driven increased attention to disaster recovery/business continuity issues, including natural disasters such as floods, tornados and drought; infrastructure disasters such as fire, electrical power failures, and water damage (pipes bursting); civil unrest such as rioting and looting; terrorist attacks such as bomb threats, anthrax attacks, and active shooter scenarios.

The threats are continuously growing and evolving, especially with the changes in weather patterns in Central Texas, and changes in the political environment. The consequences of lapses in preparedness, recovery, and continuity could be severe for this office's operations, record keeping, and reputation.

At this time, the District Clerk's Office does not have an adequately written, office-wide contingency plan that will allow the office to resume/continue business with a minimal amount of loss or disruption should a major disaster occur. The plan should also address safety measures to protect customers and County employees, and it should denote who is responsible for specific functions in the recovery/continuity process. While the ITS Department is currently responsible



for disaster recovery for the major computer systems, office protocols for maintaining work and paper flow as well as financial protocols should be addressed by each individual division.

We recommend that the District Clerk's Office develop and implement a disaster recovery/business continuity plan for all of the divisions and the office.